THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) During the period April, 2001—January, 2002, Karnataka faced energy shortage of 12.2% and peaking shortage of 20%.

(b) and (c) Yes, Sir. All the States in the Southern Region have been facing power shortage mainly due to low hydro generation in view of the reduced rainfall in the catchments of hydro power stations in the Southern Region during the last season. Karnataka has already been allocated 28% out of unallocated quota of Central Sector Stations in the Southern Region. 80 MW has also been allocated from Nevyeli TPS-II to the State. In addition, Karnataka has been allocated 106 MW of power from the Central Sector Stations in the Eastern Region.

Scaling down of capacity addition target by NTPC

713. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of POWER be pleased to state:

(a) whether it is true that the NTPC scaled down its capacity addition target for 2001-2002 from 20,000 MW to 8000 MW;

(b) if yes, what are the reasons for such a radical climb down from the original target; and

(c) the steps taken or proposed to be taken to meet the target?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) No, Sir. National Thermal Power Corporation Ltd. has not scaled down its capacity addition target for 2001-2002.

(b) and (c) Do not arise, in view of above.

Inability of SEBs, to recover its costs

714. SHRI SURESH PACHOURI: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that no State Electricity Board is recovering the full cost of power supplied and as a result they are making continuous losses on their operations;

(b) if so, the magnitude of such losses, State-wise;

(c) the outstanding dues to Central PSUs like NTPC, NHPC, CIL, Railways etc. at present; and

(d) the factors responsible for non-implementation of a package for making these SEBs economically viable;

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir. The average unit cost of supply of electricity is estimated at 303.8 paise/kwh as against an average tariff of about 212.02 paise/kwh during the financial year 2000-2001.

(b) State-wise details of loss incurred by State Electricity Boards on sale of per unit during the year 2000-2001 is given in statement. (*See* below)

(c) The outstanding dues as on 31.12.2001 from the various State Electricity Boards to the CPSUs are as under:

	(Amount in Rs. Crores)
Power Sector CPSUs	32,805.85
Coal	6,953.76
Railways	1,797.55

(d) A consensus was reached in the Conference of Chief Ministers/Power Ministers held in March, 2001 on the need for to depoliticise power sector reforms and speed up their implementation. A copy of the Resolution adopted in the Conference is at Statement-II (*See* below). The Government of India has signed Memoranda of Understandings (MoUs) with twenty States. The MoUs are a joint commitment of the Centre and the States to undertake reforms in a time-bound manner. The State Governments commitment in these MoUs include setting up of the State Electricity Regulatory Commission, 100% metering of 11 KV feeders and of all consumers, energy audit, reduction of technical and commercial losses, achievement of commercial viability in distribution etc. Government of India has committed its support through additional allocation of power from Central Generating Stations and financial assistance through Accelerated Power Development Programme (APDP) for strengthening of sub-transmission and distribution as well as for renovation and modernisation of thermal and hydel power plants. 12 State Electricity Regulatory Commissions have till now passed tariff orders.

Statement-I

Commercial Profit/Loss of SEBs

(without subsidy)

(Rs. crore)

	SEBs	2000-2001 (AP)
1.	Andhra Pradesh	4605.38
2.	Assam	366.94
3.	Bihar	1080.94
4.	Delhi (DVB)	1186.43
5.	Gujarat	2777.00
6.	Haryana	1242.11
7.	Himachal Pradesh	83.62
8.	Jammu & Kashmir	858.41
9.	Karnataka	1094.92
10.	Kerala	286.70
11.	Madhya Pradesh	2543.78
12.	Maharasthra	358.12
13.	Meghalaya	46.69
14.	Orissa	89.92
15.	Punjab	1308.94
16.	Rajasthan	1352.12
17.	Tamil Nadu	1206.73
18.	Uttar Pradesh	4531.12
19.	West Bengal	993.16
	Total	**26013.05**

Statement-II

Resolutions of the Chief Ministers/Power Ministers Conference on 3rd March, 2001

I. The Chief Ministers / Power Ministers took note of the challenges confronting the Power Sector. It was agreed that there is urgent need to depoliticise power sector reforms and speed up their implementation. For this purpose, an all-party consensus needs to be created. The Prime Minister is requested to convene all party meeting including leaders of opposition in State Assemblies.

II. The following Resolutions were adopted:

A. Completing electrification of all villages and households

(i) Rural Electrification may be treated as a Basic Minimum Service under the Prime Minister's Gramodaya Yojana;

(ii) Rural Electrification may be completed by the end of the 10th Plan *i.e.* by year 2007;

(iii) Full coverage of all households may be targeted for the end of the 11th Plan *i.e.* by year 2012.

(iv) For the attainment of full electrification, States may be given flexibility for using funds under Rural Development Programmes with the consent of the Village / Block Panchayats for undertaking the task of electrification where it is required.

(v) It was agreed that electrification of remote villages in the States would need a special mode of financing including an element of grant.

B. Distribution Reforms

The real problem of management and the challenge of reforms lies in the distribution sector.

(i) Energy audit at all 11 KV feeders must be made effective within the next 6 months and accountability fixed at the local level.

(ii) An effective Management Information System for this purpose needs to be made operational.

(iii) On the basis of the above, an effective programme needs to be launched for identifying and eliminating power thefts in the next 2 years.

(iv) Full metering of all consumers had been targeted for completion by December 2001. Special efforts should be made to complete the programme.

(v) The quality of power supplied especially in rural areas needs to be improved through the APDP and other programmes quickly;

(vi) Commercial viability has to be achieved in distribution in 2-3 years through any or all the following:—

— Creating Profit centres with full accountability

— Handing over of local distribution to Panchayats / Local Bodies / Franchisees / Users Associations, wherever necessary

— Privatisation of distribution

— Or any other means

(vii) Efforts by States, if necessary, at inviting private investment in the power sector need to be focussed towards the distribution sector.

(viii) Current operations on distribution would need to reach break even in two year and achieve positive returns thereafter.

C. **Tariff determination by regulatory Commissions and subsidies**

(i) State Electricity Regulatory Commissions may be made functional in the next six months and tariff filings made. Tariff orders issued by Central Electricity Regulatory Commission and State Electricity Regulatory Commissions need to be implemented fully unless stayed or set aside by Court Order. It is necessary to move away from the regime of providing free power.

(ii) Subsidies may be given only to the extent of State Government's capacity to pay the subsidies explicitly through budget provisions.

(iii) The past decision of CMs of a minimum agricultural tariff of 50 paise may be implemented immediately(*).

D. Generation

(i) Special efforts need to be made to increase the PLF of existing plants through Renovation and Modernisation.

(ii) In the short run, there is no alternative to increase in public sector investment in generation, as large-scale private investment in generation would flow only after reforms succeed in restoring financial viability. The Centre and the States need to take suitable decisions regarding increase in outlays for the 10th

(*) Punjab and Tamil Nadu did not agree.

Plan. Priority should be given for investments at those locations which produce the cheapest power specially for hydro projects and pit head thermal generation. CEA has estimated the requirement for an additional 100,000 MW of generating capacity by 2012.

(iii) Where the States and Financial Institutions are in agreement about the need for development of IPPs, they need to work together to achieve financial closure at the earliest. The Centre would facilitate the finalisation of reforms-based multi-partite agreements.

(iv) The evolution of a National Grid for inter-regional transfer of power needs to be taken up on priority.

(v) Some provisions of the Forest Conservation Act may require to be revised for expeditious completion of power and other projects.

E. Energy conservation and demand side management

An effective programme in the field of demand side management through—energy efficient bulbs, tube lights and agricultural pump-sets,

— time of the day metering and differential tariff for peak and off peak hours needs to be implemented with suitable mass awareness and extension efforts.

F. Support from Government of India

(i) The Government of India would support the States in their reform efforts. This support would be linked to time-bound power reform initiatives in the States and achievement of definite milestones towards restoration of financial viability.

(ii) Interest rates of PFC and REC should be brought down to reflect market conditions.

(iii) An Expert Group would be set up to recommend one time settlement of all power sector past dues to CPSUs and dues from CPSUs to State Power Utilities. This would be linked to implementation of reforms with time-bound milestones. The Group will give its report within three weeks of its consitution.

G. Supply from Central Generating Stations

Continued supply of power from Central Generating Stations would have to be linked to demonstration of capacity to make payments for current purchases and securitisation of past dues.

H. High level empowered group

A High Level Empowered Group comprising of Minister of Power and Chief Ministers of some States may be set up to coordinate, monitor and review the implementation of reforms.

Losses to SEBs

715. DR. MANMOHAN SINGH: Will the Minister of POWER be pleased to state:

(a) the commercial losses of State Electricity Boards in 2000-2001;

(b) the expected loss in 2001-2002; and

(c) how are these losses going to be financed?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The combined commercial losses of the State Electricity Boards (SEBs) during 2000-2001 is estimated to be Rs. 26013.05 crore.

(b) and (c) Different SEBs/successor entities have been making efforts to contain the losses through various reform measures. Memoranda of Understanding haver been signed with many States on reforms. However, it is difficult at this stage to quanlify the effect of these measures on reduction in the losses.

Loan given to DPC by Banks and Financial Institutions

716. SHRI SANJAY NIRUPAM: Will the Minister of POWER be pleased to state:

(a) what is the total amount of loan given to Dabhol Power Company by different Indian Banking and Financial Institutions;

(b) the details and plan of the recovery;

(c) whether Government have decided to give any bailout package to Dabhol Power Company after Enron was declared bankrupt; and

(d) if so, the details thereof?